

**VILLAGE OF LINCOLNWOOD  
PRESIDENT AND BOARD OF TRUSTEES  
COMMITTEE OF THE WHOLE MEETING  
BUDGET WORKSHOP  
VILLAGE HALL COUNCIL CHAMBERS  
FEBRUARY 13, 2013**

**Call to Order**

President Pro-Tem Elster called the Committee of the Whole meeting of the Lincolnwood Board of Trustees to order at 6:02 P.M., Tuesday, February 13, 2013 in the Council Chambers of the Municipal Complex, 6900 North Lincoln Avenue, Village of Lincolnwood, County of Cook and State of Illinois.

**Roll Call**

On roll call by Deputy Village Clerk Douglas Petroschius the following were:

PRESENT: President Turry (by video conference), President Pro-Tem Elster, Trustees Patel, Heidtke, Leftakes, Sprogis-Marohn (6:20 P.M.), Swanson

ABSENT: None.

A quorum was present. Also present: Timothy Wiberg, Village Manager; Douglas Petroschius, Assistant Village Manager; Charles Meyer, Assistant to the Village Manager; Melissa Steirer, Management Analyst; Timothy Clarke, Director of Community Development; Robert Merkel, Finance Director; Janice Hincapie, Director of Parks and Recreation; Manuel Castaneda, Public Works Director; Michael Hansen, Fire Chief; Robert LaMantia, Police Chief; Charles Greenstein, Village Treasurer; Cary Lewandowski, Deputy Chief of Police; Timothy O'Connor, Police Officer and Chair of Police Pension Board; Andrew Thurman, Superintendent of Parks and Facilities; Jan Springer, Superintendent of Recreation.

Trustee Elster recommended that the Committee of the Whole agenda be amended to include a section for Public Forum. The Village Board concurred with this recommendation. The agenda was amended.

Mr. Wiberg provided an overview of the evening's agenda and introductory remarks regarding the state of the Village's finances and what is anticipated for the next fiscal year. The purpose of the Budget Workshop is to report on the current fiscal year condition and to receive broad policy direction from the Village Board as staff prepares the draft fiscal year 2012-13 budget. The draft budget for next year is balanced as it had been in past years but without the use of fund balance. Mr. Wiberg indicated that the goal status of the current year's goals and proposed goals for next fiscal year was included with the packet distributed to the Village Board in advance. Mr. Wiberg inquired if any members of the Village Board had any questions regarding the goals. Trustee Heidtke inquired if the Public Works goal to certify staff on herbicide application could be implemented using organic products citing that children can be adversely affected by conventional fertilizer and herbicides. Mr. Castaneda said that staff would research that option and indicated that most herbicide applications are used in areas such as sidewalks where kids are less likely to play, as opposed to turf. No other comments or questions were received regarding the goals.

Mr. Wiberg then proceeded to provide an overview of some fundamental concepts regarding the Village's budget process and Fund Management by use of PowerPoint. Mr. Wiberg provided a detailed explanation of each of the Village's funds and Mr. Merkel reported on each of their current fund balances. Discussion ensued regarding the State of Illinois' previous attempts to limit municipalities' access to certain shared revenue funds and the 911 Fund's revenue challenges.

Trustee Elster inquired to staff about the process that is used to develop revenue projections. Mr. Merkel explained that property tax projections are based on the annual levy amount set by the Village Board in December of each year. For sales tax, staff reviews the performance of major sales tax producers in the Village through sales tax sharing agreements, reads the news to monitor the condition of the auto industry and other retail industries, and revenue from previous years. The current year sales tax projections were 5% and are coming in lower at approximately 2.5% more from the previous year. Therefore staff is projecting an increase of 2.5% for sales tax next year. Parks and Recreation revenue is projected to increase by approximately 2% for the pool and 1.5% for camps. Other tax revenue is projected to increase by 2%. Trustee Leftakes indicated that he was comfortable with staff's projections as Mr. Merkel has estimated well in the past. The Village Board concurred. Trustee Elster inquired to staff about the process that is used to develop expenditure projections. Mr. Merkel indicated that those projections are made by each department when they prepare their budgets.

### **1. Discussion Concerning the Village's Fiscal Year 2012/13 Year-End Projections**

Mr. Wiberg and Mr. Merkel proceeded to present the status of the current fiscal year and year-end projections. Comparisons of what was forecasted versus actual amounts for both revenues and expenditures were presented and discussed. The adopted General Fund revenue budget for Fiscal Year 2012-13 is \$18,749,140 and the projected actual amount is \$18,794,332 which is a projected increase of \$45,192. The adopted expenditure budget for Fiscal Year 2012-13 is \$19,046,941 and the projected actual amount is \$18,738,786 which is a projected difference of \$308,155. After transfers, staff expects to utilize \$425,447 in fund balance by April 30, 2013 which is less than originally projected when the budget was adopted last year.

### **2. Discussion Concerning the Village's Fiscal Year 2013/14 Financial Forecast**

Mr. Merkel presented the financial forecast for Fiscal Year 2013-14. Staff is projecting no General Fund deficit for next year. This is done with no new taxes. The only fee increase is for non-resident pool passes, but without increasing the number of non-resident pool passes. After transfers the General Fund is projecting a surplus of \$111,753 for Fiscal Year 2013/14.

### **3. Discussion Concerning Fiscal Year 2013/14 Discretionary Spending**

Mr. Wiberg presented four significant expenditures that are included in the proposed Fiscal Year 2013-14 budget and seeks Village Board direction as to whether they should continue to be included in the proposed budget. Memorandums justifying the proposed expenditures were included in the Budget Workshop packet for review. The proposed expenditures were: a new small bucket truck, replacement air packs, renovation of the Drake Park playground, and implementation of online broadcast of the Village's cable channel. Discussion ensued regarding these items. The Village Board concurred with staff's recommendation to include these four items in the proposed budget.

Mr. Wiberg presented one significant expenditure that was not included in the proposed budget which is \$35,000 to hire a consultant to assist with a branding initiative. A memorandum was included with the Budget Workshop pack summarizing the background on this matter which included staff research and discussions at the Committee of the Whole and the Economic Development Commission. Discussion ensued. The Village Board directed staff to not include money in the budget for Branding, but to continue to pursue less expensive options and narrow the focus.

An overview of Fiscal Year 2015 budget issues were presented as well as the financial projections for the other funds. Discussion ensued regarding the status of bike path construction on the Union Pacific right-of-way and the ComEd right-of-way. Trustee Elster inquired if Motor Fuel Tax Funds could be used for these projects and Mr. Wiberg responded that those funds were already earmarked for street light replacement and road resurfacing.

Mr. Wiberg presented the significant expenditures projected for the Water and Sewer Fund and identified that the City of Chicago's third year of rate increases went into effect as of January 1, 2013. The City of Chicago is the Village's water supplier. This year's increase is 15% and it is the Village's policy to pass on the full rate increase to the Village's water customers. Staff proposes to increase the water rate by 15% with an effective date to be May 1, 2013. The water rate would increase by \$0.81 per 1,000 gallons of water used to a total of \$6.26 per 1,000 gallons of water used. Staff reminded the Village Board that it continues to seek alternative water suppliers other than the City of Chicago. Discussion ensued concerning the amount of capital expenses, the current fund balance in the Fund, and the fact that last year the increase was 15% and the Village only increased the water rate by 10%. The Village Board concurred with staff's recommendation to increase the water rate by 15%. Craig Klatzco inquired as to the breakdown of the rate. Mr. Merkel indicated that the rate includes operational and capital expenses for Water.

Mr. Wiberg indicated that during the 2012 Budget Workshop the Village Board had requested that staff present the Capital Equipment Replacement and Capital Improvement schedules. Mr. Wiberg presented the proposed five-year Capital Equipment Replacement and Capital Improvement schedules in detail. The Village Board directed staff to remove Gateway Signs from the Capital Improvement schedule, advance median landscaping and sidewalks in the schedule because Tax Increment Financing District funding might be utilized, and change the plan to add sidewalk on the west side of Cicero Avenue so that the sidewalk is on the east side of Cicero Avenue from Pratt Avenue to Lunt Avenue.

Mr. Wiberg indicated that there are no more items for discussion and that staff requests an Executive Session to discuss personnel. Trustee Elster thanked everyone for their attendance and participation.

**Public Forum**

None

**Adjourn to Executive Session**

At 9:07 P.M. Trustee Heidtke made a motion to adjourn to Executive Session of the Committee of the Whole to discuss personnel. Trustee Swanson seconded the motion.

Upon Roll Call the Results were:

AYES: President Pro-Tem Elster, Trustees Patel, Heidtke, Leftakes, Sprogis-Marohn, Swanson

NAYS: None

The motion passed.

The meeting was adjourned to Executive Session.

**Reconvention**

At 9:14 P.M. President Pro Tem Elster reconvened the Committee of the Whole.

**Adjournment**

At 9:14 P.M. Trustee Sprogis-Marohn made a motion to adjourn Committee of the Whole. Trustee Leftakes seconded the motion. The motion was approved by voice vote, 6-0. The Regular Meeting was adjourned.

Respectfully Submitted,

  
Douglas Petroskius  
Deputy Village Clerk